

Message Text

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PAGE 01 QUITO 04082 211751Z
ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 L-03 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 EPG-02 DODE-00 FPC-01 H-01 INR-07
INT-05 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 OES-07
SP-02 SS-15 STR-04 TRSE-00 ACDA-07 FEA-01 PA-01
PRS-01 /102 W

-----030211 220015Z /72

R 211725Z JUN 77

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 4801

INFO AMCONSUL GUAYAQUIL KHKFQRH

C O N F I D E N T I A L QUITO 4082

E.O. 11652: GDS

TAGS: EINV, ENRG, PFOR, EC

SUBJECT: GULF-GOE NEGOTIATORS RE AUDIT CONTRACT

1. ASSISTANT GULF MANAGER STEVE GRAVES REPORTED TO EMBASSY JUNE 20 THAT AN OFFICIAL OF THE FINANCE MINISTRY INFORMED GULF THAT AN INTERMINISTERIAL COMMITTEE WILL BE ESTABLISHED TO NEGOTIATE THE AUDIT CONTRACT. (UNDER THE TERMS OF THE GULF-GOE AGREEMENT, THE PARTIES HAVE SIXTY DAYS FROM MAY 27 TO SIGN THE AUDIT CONTRACT.) GULF BELIEVES, HOWEVER, THAT THE GOE HAS NOT YET BEGUN TO FOCUS ON THE AUDIT OF CONTRACT, SINCE NEITHER THE FINANCE MINISTER NOR HIS SUBSECRETARIES HAVE BEEN WILLING TO MEET WITH GULF RE THE AUDIT.

2. GULF, SAID GRAVES, IS NOT REALLY CONCERNED ABOUT DELAYS IN NEGOTIATING THE CONTRACT. AT RECENT STRATEGY SESSION IN CORAL GABLES, GULF PRINCIPALS DECIDED THAT BEST APPROACH WOULD BE TO WAIT OUT THE GOE. GRAVES SAID GULF HAD DECIDED ON THIS LOW-KEY APPROACH FOR TWO REASONS: 1) THE GOE WILL BE
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FORCED TO SETTLE WITH GULF EVENTUALLY SINCE GULF'S CONTINUED PRESENCE IN ECUADOR WILL DAMAGE ECUADOR'S REPUTATION AMONG POTENTIAL FOREIGN INVESTORS; AND 2) COMPLETION OF THE ALASKAN AND PERUVIAN PIPELINES WILL SUBSTANTIALLY CUT INTO

ECUADOR'S EXISTING MARKETS LATER THIS YEAR. GRAVES
SAID GULF MIGHT BE WILLING TO PURCHASE SOME OF
ECUADOR'S HARD-TO-SELL CRUDE AS A TRADE-OFF FOR THE
AUDIT.
BLOOMFIELD
BZO
#4082

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DISPUTES, NATIONALIZATION, NEGOTIATIONS, AUDITS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977QUITO04082
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
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ISecure: 1
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Litigation History:
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TAGS: EINV, ENRG, PFOR, EC, GULF
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